

**SUBSTITUTE MOTION BY SUPERVISOR MARK RIDLEY-THOMAS    JUNE 11, 2013**

**IHSS Wage Increase Approval**

On November 15, 2012, Los Angeles County (County) submitted a request to the California Department of Social Services (CDSS) for approval of a wage increase from \$9.00 to \$9.65 per hour for In-Home Supportive Service (IHSS) providers. The request was contingent upon the State's agreement to continue paying its share of the increase, notwithstanding the resolution of pending litigation regarding the cap on the State's financial contribution. CDSS declined to approve the \$9.65 wage rate and instead approved the current rate of \$9.50.

In March, the State reached a settlement of the lawsuit that precluded the State's implementation of the wage cap provision that limited the ability of the State to approve the wage rate of \$9.65 per hour as authorized by this Board of Supervisors (Board). The settlement provided that the statute would be amended to repeal the State's cap on its contribution for wages and benefits to IHSS providers and legislation. Legislation was enacted on May 30, 2013 (Senate Bills 67 and 68) effectuating the terms of the

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**MOTION**

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settlement, including elimination of the cap on the State's contribution for IHSS wages and benefits, thereby removing this obstacle to fulfilling the Board's commitment to raise IHSS wages the full \$.65 authorized in June 2012.

Applicable state law provides that whenever an increase in IHSS wages or benefits is negotiated, the State must approve the increase in order for a county to qualify for federal or State funding participation. The law further provides that an approved rate change becomes effective the first day of the month following the State's approval.

Following enactment of the legislation lifting the State cap on wages on May 30, the Chief Executive Officer directed the Department of Public Social Services to submit a new application to the CDSS seeking expedited consideration of the IHSS wage increase from \$9.50 to \$9.65 at the request of the Board Chairman. The State approved the application on May 31, making the long awaited raise increase effective on June 1, 2013. As a result of the five month delay in extending the raise to the full amount, it is estimated that the County will realize \$13.7 million in additional revenue from the salary savings.

Legal settlements of litigation negotiated by the executive branch are nearly always approved by the legislature. The unanticipated \$13.7 million salary savings windfall provides the Board of Supervisors with an opportunity to provide home care workers, among the lowest paid wage earners in the County, the full salary increase it

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authorized in June 2012 by pursuing legislative and administrative options for making the increase granted by the State last month retroactive to January 1, 2013.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:**

- 1) Direct the Chief Executive Officer (CEO) and the Department of Public Social Services to report back to the Board of Supervisors at the meeting of June 18, 2013 as a Set Item, with administrative and statutory options for making the 2012 wage increase to IHSS wage earners of \$9.65 retroactive to January 1, 2013.

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